Attorney General Jon Bruning

NEWS RELEASE

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Contact: Shannon L. Kingery
402.471.2067
Shannon.kingery@nebraska.gov

AG Bruning: Settlement with Johnson & Johnson Nets $9.2 Million for Nebraska

LINCOLN - Attorney General Jon Bruning today announced a settlement with Johnson & Johnson and its subsidiary, Janssen Pharmaceuticals, Inc., to resolve allegations of unlawful marketing practices to promote the sales of their atypical antipsychotic drugs, Risperdal and Invega. Nebraska's share of the settlement is $9.2 million. Recovered funds reimburse the Nebraska Medicaid program for losses and can be applied to legal fees specific to each case.

"Drug manufacturers must be held accountable for improper marketing of their products," said Bruning. "This settlement helps to ensure protocol will be followed in the future."

Nebraska contended the companies promoted the drugs for off-label uses and made false and misleading statements about their safety and efficacy. In addition, illegal kickbacks were paid to health care professionals and long-term care pharmacy providers to induce promotion and prescribing of Risperdal to children, adolescents and the elderly without FDA approval for use in these patient populations.

The manufacturers' conduct caused false and/or fraudulent claims to be submitted to, or caused purchases by, government-funded health care programs including the state Medicaid program.

As a condition of the settlement, Johnson & Johnson will enter into a Corporate Integrity Agreement with the United States Department of Health and Human Services, Office of the Inspector General, which will closely monitor the company's future marketing and sales practices.

Medicaid Fraud and Patient Abuse Unit

Since its inception in 2004, the Attorney General's Office Medicaid Fraud and Patient Abuse Unit has recovered more than $70 million from violating service providers and drug companies.

When the Unit was established, Bruning promised the Legislature it would be self-funding in three years. The Unit's annual recoveries surpassed its operating budget starting in 2006, a year ahead of schedule.